..City of Mount Pleasant/P.P.M.E. Local 2003

2005-2006
CEO-1097
SECTOR-3

IN THE MATTER OF THE FACT FINDINGS BETWEEN

CITY OF MOUNT PLEASANT,	:	**CEO #1097/SECTOR 3**
Public Employer,	:	
AND	:	**FACT FINDER'S RECOMMENDATION**
PUBLIC PROFESSIONAL AND MAINTENANCE EMPLOYEES/IUPAT LOCALE 2003	:	

APPEARANCES: **CITY OF MOUNT PLEASANT:**

TOBY GORDON

UNION:

JOE RASMUSSEN

I. AUTHORITY

This proceeding arises pursuant to the provisions of the Iowa Public Employment Relations Act, Chapter 20, Iowa Code (herein referred to as "Act"). City of Mount Pleasant (hereinafter referred to as "City"), and the Public Professional & Maintenance Employees/IUPAT Locale 2003 (hereinafter referred to as "Union or Employees"), have been unable to agree upon the terms of their collective bargaining agreement for the 2006-2007 contract. The parties efforts at resolving their disputes were unsuccessful and the parties selected the undersigned fact finder to "Make written findings of fact and recommendations for the resolution of the dispute" in accordance with the Section 21 of the Act.

A hearing was conducted in Mount Pleasant, Iowa, on Tuesday, February 21, 2006, and was completed the same day. The hearing commenced at 1:00 o'clock p.m. and was concluded at approximately 3:45 o'clock p.m.

The Parties submitted their final proposals which contained three (3) items and subparts for fact finding.

During the hearing, all parties were provided a full opportunity to present evidence and argument in support of their respective positions. The hearing was tape recorded in accordance with the regulations of the Board. Upon conclusion of the presentation of the evidence, the record was closed and the case was deemed under submission.

The parties stipulated at the outset that ability to pay was not in issue.

II. BACKGROUND

The Employer, a political subdivision, is a city located in the southeast quarter of the State of Iowa. The city's population is approximately 8,751.

Union is the certified bargaining representative of approximately eleven (11) bargaining unit employees. All of the employees provide law enforcement protection for the City.

The parties currently are in a two (2) year contract which expires June 30, 2006.

III. STATUTORY CRITERIA

There are no explicit criteria in the Act by which the fact finder is to judge the reasonableness of the parties' proposals when formulating recommendations. It is generally agreed, however, that the Iowa legislation intended that fact finders formulate

recommendations based upon the statutory criteria for arbitration awards contained in Section 22.9 of the Act. That Section provides:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following facts:

a. Past collective bargaining contracts between the parties including the bargaining that let up to such contracts.

b. Comparison of wages, hours, and conditions of employment of the involved public employees doing comparable work, giving consideration to facts peculiar to the areas and the classification involved.

c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.

d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

Moreover, Section 20.17(b) of the Act provides:

No collective bargaining agreement or arbitrator's decision shall be valid and enforceable if its implementation would be inconsistent with any statutory limitation on the public employer's funds, spending budget or would substantially impair or limit the performance of any statutory duty by the public employer.

The recommendations contained in this Report were made with due regard to the above statutory criteria.

IV. COMPARABLES

The parties have proffered listings of communities that they believe provide the suitable comparability groups for the undersigned's review.

The city submits the following communities:

Estherville	Webster City	Oskaloosa
Washington	Waverly	Keokuk
Atlantic	Carroll	Keokuk
Perry	Altoona	Charles City
Storm Lake		

The Union submits the following communities:

Boone	Knoxville	West Burlington
Ft. Madison	Newton	Grinnell
Oskaloosa	Indianola	Vinton
Keokuk	Washington	

Washington and Oskaloosa are the only communities mutually submitted as comparables.

The City contends that its comparables present the best picture as to what other, similar communities in Iowa are doing with their law enforcement contracts.

The reason for their selection is based on population and the fact that they are County Seats.

The Union's selection of communities takes into account population, geographic proximity, taxable valuation, and common collective bargaining activity.

The undersigned has reviewed the materials submitted by both parties and finds that the Union's selection of communities provides a more balanced approach.

Communities provided by the City fail to take into consideration the geographical conditions of the southeast quadrant of the State. Estherville and Storm Lake are two of these communities. Both are located in Northwest Iowa.

No mention was made as to bargaining unit's size in each of the communities by either party. Lack of specific data from the City's comparables also made it difficult for the undersigned to determine, assuming arguendo that they are comparable, what relevance they have.

By contrast, Union's comparability group place Mt. Pleasant 8th by population and 7th by taxable values. One common theme is that all of the communities are within the southeast quadrant of the State of Iowa.

The undersigned is not saying that other factors might have even more of a significance; colleges; correctional facilities; major manufacturers; crime rates; and size of the department. However, based on the cities' data presented, it appears that the Union's listing of communities provides a more comparable set of communities.

V. IMPASSE ITEMS

A. INSURANCE CONTRIBUTIONS

I) **Article 15.01. Health Insurance** governs contributions by employees to their health insurance plan. This Article provides #1:

> The Employer shall provide employees with single health insurance coverage at no cost to the employee with those coverage requirements listed below. The Employer shall provide employees with dependent health insurance coverage with the employee to pay 25% of the cost of the difference between single rate premium and the family rate premium with those coverage requirements listed below. Coverage levels shall be substantially comparable to those existing prior to the effective date of this agreement and shall include the following basic benefits:

	Single Plan	Family Plan
Deductible	$250.00	$500.00
Co-insurance	90/10	90/10
Out of pocket max.	$500.00	$1,000.00

The Employer reserves the right to change insurance carriers or self-insure as long as new coverage is substantially comparable to that being replaced. The union will be notified by the City prior to any change in insurance carrier.

City desires to modify this language as follows:

	Single Plan	Family Plan
Deductible	$450.00	$700.00
Co-insurance	90/10	90/10
Out of pocket max.	$700.00	$1,200.00

The Union desires to maintain the existing language.

The crux of this impasse item would shift an additional $200.00 worth of deductible and out of pocket expenses from the employer to the employee.

Historically, the parties have negotiated and settled three (3) two (2) year contracts. The original contract, 2000-2002 provided for a 200/400 deductible with 500/1000 out of pocket maximum.

During the course of this contract, the City switched carriers; deductibles; and out of pockets. The City originally had insurance within a pool with the League of Cities. Due to increased cost, the City acquired Wellmark Alliance Select. The City then self-insured the deductible and out of pocket with the savings the new plan provided. During the 2002-2004 contract, the Union agreed to a modification of the deductibles from 200/400 to 250/250 deductible with no change to the out of pocket maximum. During the 2004-2006 contract negotiations, the City attempted unsuccessfully to negotiate a 35%

cost differential instead of the current cost differential of 25% amount employees pay that select family coverage.

Approximately ten (10) out of the eleven (11) member bargaining unit members select family health coverage.

The City contends that modifications are warranted based upon review of their comparables.

The City concedes that since shifting to Wellmark Alliance Select, their savings less additional payouts have more than offset their expense. They, however, point to the additional expense and risk they take without employee participation.

The Union counters that:

1. History of Health Premiums has all but flat-lined for the City.

2. That any additional expense has been shared by the employees of their unit.

3. That any modification of this language item is not warranted by review of their comparables.

4. That this type of modification should be negotiated at the bargaining table, not by fact finders ink and.

5. That this unit has agreed to modifications in this past, not warranting drastic actions at this time.

Both parties indicate that comparables alone support and warrant the undersigned to support their final positions as submitted. One problem that confronts the undersigned when only looking at health insurance deductibles is whether other portions of the

comparable contracts contain favorable language which was purchased by higher deductibles.

It is the undersigned's opinion that the Union's position and final offer on this item is more reasonable and appropriate.

Union's contentions as to premium increases are only relevant if at all to reflect what the City's total contribution to health care increases have been over the past three (3) years. According to the Union's comparables, the average deductible is 266/633 with 554/1388 out of pocket maximums. As previously discussed in Section IV, the Union's comparability group is preferred for the reasons set forth therein.

Also, the history of the parties reflects this type cost burden allocation has been fairly consistent over the last three (3) contracts. It is also noteworthy that during last contract negotiations, increased deductibles and out of pocket increases were not even discussed.

It is for these reasons that the undersigned finds that the Union's final position that no change in deductible or out of pocket expenditures is the most reasonable and prudent.

B. OVERTIME COMPENSATION

II) **Overtime.** With this impasse item, the Union proposes two (2) modifications to the current contract language in Article II, Hours of Work & Overtime. The proposed language change would add the italicized language:

> a. *Hours worked in excess of eighty-two and one-half (82 ½) hours in a fourteen (14) day period or in excess of eight and one-quarter (8 ¼) hours in one work day shall be paid at the rate of one and one-half (1.5) times the employee's regular hourly rate.*

b. All hours of compensated leave shall be calculated as hours of work for the purpose of computing overtime.

The City proposes no contract language changes.

Historically, the current contract has remained in force over the course of this bargaining unit and its predecessor non-contractual agreements. It was asserted that this issue has been up for debate at two (2) out of the last three (3) contract negotiations, without modification. The Union asserts that its proposed language is similar to all of its comparatives and that resolution at the bargaining table has proved fruitless.

An analysis of the Union's comparatives yields the following:

Mt. Pleasant	**o.t. after 82 ½ in 14 days**	**paid leave does not count**
Boone	o.t. after 40 hours/week	court time hours included
Ft. Madison	o.t. after 8 hours or on a regularly Scheduled day off	
Grinnell	o.t. over the regular schedule time	
Indianola	o.t. after 8 hours or 40 hours or outside Schedule	
Keokuk	o.t. over regular schedule and over 49 Hours in 8 days	
Knoxville	o.t. after 40 hours worked	vacation, holiday, comp time count as hours worked
Newton	o.t. over regular schedule	
Oskaloosa	o.t. over regular schedule	all paid hours count for o.t.
Vinton	o.t. over regular schedule	sick, vacation, funeral, holiday, count as hours worked
Washington	o.t. over 171 hours in 28 days	
West Burlington	o.t. over 8 hours	paid leave does not count

Only two (2) out of the Union's ten (10) comparables yields results in language comparable to Mt. Pleasant's overtime procedures. Boone pays overtime after forty (40) hours a week which is more liberal than Mt. Pleasant's policy, while Washington pays overtime over 171 hours in 28 days, more restrictive than Mt. Pleasant's policy. The remaining eight (8) comparables provide for overtime after either eight (8) hours or over regularly scheduled hours. Also, Henry County Deputies, although not listed as a comparable, provides a similar overtime requirement.

The City's main assertion is that an analysis of its comparables fails to reflect that their policy is out of line with their comparables' current contract language. Also, asserted is that this change should be consummated with the give and take at the bargaining table, not by fact-finders' pen.

It is the undersigned's opinion that the Union's position and final offer on this item is more reasonable and appropriate.

The rationale for this finding is premised on the following rationale. The Union has consistently raised this language item in prior negotiations. The comparability analysis reflects that 80% of their comparability communities provide these benefits. Moreover, deputy sheriffs who work hand in hand with their City counterparts, provide this criteria for determining overtime.

It is for these reasons that the undersigned finds that the Union's final proposal is the most reasonable and prudent.

C. WAGE INCREASE

III) Wages. The City proposes that wages be increased pursuant to Exhibit B FTE 67-3-06 by 3%. Conversely, the Union proposes that wages be increased pursuant to Exhibit BFTE 67-3-06 by 8%.

The City proposition for a wage increase is premised on not only past collective bargaining agreements, but is also supported by comparative analysis of communities. The Union denied these assertions, however, their primary contention was that an 8% increase is necessary to bring this unit's wages up to their contemparies. Also, the Union asserts that City's wage proposal falls short of the Consumer Price Index.

The Union also argues that employees continued financial participation in family health insurance continues to eat away wage increases.

A history of wage increases reveals that in the party's initial two (2) year contract, increases of 4% were agreed upon. The next contract specified increases of 3% and 3.5%. For the current contract, wages increased by 3.0 in each of the calendar years.

The Union reviewed the highest wage rates for law enforcement officers within their comparability group. The average highest wage rate was $18.60. The Union therefore contends that an 8% increase is warranted to bring their officers up to that level.

Also, as with overtime, the Union asserts that Henry County Deputies are receiving a top officer wage rate of over two dollars ($2.00) grater than Mt. Pleasant's wage. The Union contends that as a result of these deflated wages, officers have left for better paying jobs.

The City counters that merely looking at wages at the top end is not reflective of wages at other ends of the spectrum. Also, the employees in this unit enjoy longevity and shift differential compensation packages. The City urges that the cost of living increases overall have been significantly less here in this region of the country as reflected by the Department of Labor's Statistics for Kansas City, St. Louis, and Chicago, than the country overall.

It is the undersigned's opinion that neither the Union's nor the City's proposal and final offer are reasonable in light of the evidence in this matter.

Initially, I will address the Union's proposal for an 8% increase. Their proposal is premised on the position that top officer compensation as to compared to their contemporances is lagging on average by 8%. The 8% increase, however, will not be applied only to officer's at the end of the wage scale, but across the board. No information was proffered as to how wages compare at the entry level as well as mid-level compensation levels. The Union has not provided data for these positions.

It appears that the top end of the salary matrix may, in fact, be seriously deficient in compensation. Funding the longevity component may be a better vehicle to readdress this inequity and still maintain the current salary matrix. Or, perhaps, a combination of pay increase and longevity compensation increase may also satisfy these inequities.

No history was provided to reveal whether this inequity was evident from the initial contract or whether this has taken place over the course of the contracts.

It is clear that no specific effort has been made to adjust this deficiency prior to this fact finding.

Clearly, annual salary increases have not addressed this problem. The history of increases reveal that salaries since the initial contract have averaged 3.31%. Current contracts of Union's comparable communities averaged a 3.35% increase. Settlements statewide have averaged 3.5% according to data received from PERB. Cost of living figures proffered by both parties averaged 3.4% for 2005 nationwide.

Considering all of the foregoing factors, it is the undersigned's opinion that a wage increase of 3.39% is the most appropriate and reasonable.

VI. CONCLUSION

It is the finding of the undersigned that the Union's position and proposal for health insurance is the most reasonable, prudent, and appropriate in this matter. No modifications to current language should be made. It is the finding of the undersigned the that Union's position and proposal for overtime compensation is the most reasonable, prudent, and appropriate in this matter. Article II should be modified accordingly.

It is the finding of the undersigned that both party's final positions as to wage increases are unreasonable and inappropriate. It is this fact finder's opinion that a wage increase for the contract at impasse should be set at 3.39%.

Respectfully Submitted,

SANDY LAW FIRM, P.C.

BY: _____

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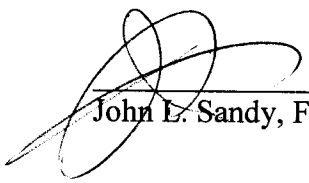
CERTIFICATE OF SERVICE

I certify that on this 6th day of March, 2006, I served the foregoing Fact Finder's Recommendation upon each of the parties to this matter by mailing a copy to them at their respective addresses at shown below:

Joe Rasmussen
PO Box 69
Alburnett, IA 52202-0069

Toby J. Gordon
100 Valley Street
PO Box 517
Burlington, IA 52601

I further certify that on the 6th day of March, 2006, I will submit this Fact Finder's Recommendation for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319.



John L. Sandy, Fact Finder